



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 30, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8 November 30, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**AMENDMENT NO. 6 TO LEASE NO. 58575
DEPARTMENT OF PUBLIC HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

This is a recommendation for a five-year lease amendment for 14,730 rentable square feet of office space and 62 structured parking spaces for the Department of Public Health.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the five-year lease amendment with Wilmont, Inc., (Lessor) for the Department of Public Health to continue occupancy of 14,730 rentable square feet of office space and 62 structured parking spaces located at 695 South Vermont Avenue, Los Angeles, at a maximum annual lease cost of \$299,359. The lease costs for the Department of Public Health are funded 67 percent by revenue collection, 25 percent by State and federal subvention, and 8 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

3. Authorize the Chief Executive Officer and the Director of Public Health to implement the project. The lease amendment will be effective upon approval by your Board, and the rent will commence within 30 days of Lessor's completion and the County's acceptance of the upgrades to prepare the premises.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On September 6, 2005, your Board adopted a five-year lease amendment that expired October 16, 2010. The lease will continue on holdover until the commencement date of the proposed five-year lease amendment. The proposed action will continue to provide the Department of Public Health (DPH) sufficient office space to house 77 staff (41 current and 7 growth positions for the Environmental Health (EH) Program, and the 29 new staff members of the Chronic Disease and Injury Prevention (CDIP) Program). Both programs perform administrative functions and provide direct services to the community. EH staff provides retail and wholesale food inspection, housing inspections of multi-family dwellings, and vector control activities. CDIP will be working in collaboration with Project Renew, an obesity prevention program funded by the American Recovery and Reinvestment Act.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan (Goal 1) directs that we provide operational effectiveness to support efficient delivery of public services through (Strategy 1) sound, prudent, and transparent short-term and long-term fiscal policies to maintain critical, high priority County public services despite cyclical economic conditions. In addition, Goal 4 directs that we improve health outcomes within available fiscal and other resources by promoting proven service models and prevention principles that are population-based, client-centered, and family focused through (Strategy 2) by creating a physical environment that is conducive to good health. The proposed amendment to renew the lease supports the foregoing with a centrally and co-located facility as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed full-service gross lease amendment will provide 14,730 rentable square feet of office space and 62 structured parking spaces included in the base rent. The proposed annual lease cost of \$299,359 or \$20.32 per rentable square foot includes a base rental rate of \$17.04 per rentable square foot or \$250,999, and the annual cost of 62 parking spaces at \$65 per space per month of \$48,360, or \$3.28 per square foot of the premises.

695 S. Vermont Ave.	Existing Lease/ Amendment No. 5	Proposed Lease/ Amendment No. 6	Change
Area (Square Feet)	14,730	14,730	None
Term	(10/17/05-10/16/10) Currently month-to-month	Five years, commencing upon Board adoption	+Five years
Annual Base Rent (Rental Rate)	\$229,641 (\$15.59/sq. ft.)	\$250,999 (\$17.04/sq. ft.)	+\$21,358 (\$1.45/sq. ft.)
Option to Renew	One five-year option at 95 percent of fair market rental value	One five-year option at 95 percent of fair market rental value	None
Annual Rental adjustment	Consumer Price Index (CPI) capped at 3 percent	CPI capped at 3 percent	None
Preparation of Premises	None	Yes*	+Preparation of Premises
Parking	55 structured spaces at \$65/space, \$42,900 (\$2.91/sq. ft.)	62 structured spaces at \$65/space, \$48,360 (\$3.28/sq. ft.)	+7 spaces +\$5,460 (\$.37/sq. ft.)
Cancellation	At any time after 36 months of the lease term upon 60 days prior written notice	At any time after 24 months of the lease term upon 90 days prior written notice	-12 months of the lease term +30 days notice

* Preparation of premises includes paint and carpet provided by the Lessor at its sole cost and expense.

Sufficient funds for the proposed lease costs are included in the 2010-11 Rent Expense budget and will be billed back to the department. DPH lease costs are funded 67 percent by revenue collection, 25 percent by State and federal subvention, and 8 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment to renew the lease will provide 14,730 rentable square feet of office space and 62 parking spaces included in the rent. The amendment also includes the following provisions:

- The lease amendment term will be effective upon adoption by the Board of Supervisors. The rent will commence within 30 days of Lessor's completion and County's acceptance of the upgrades to prepare the premises that include the painting and installation of new carpet throughout the entire leased premises at the Lessor's sole cost and expense.
- The effective annual full-service gross per square foot rental rate will increase from \$15.59 to \$17.04.
- The number of structured parking spaces will increase from 55 to 62 at the prevailing rate of \$65 per space per month or \$48,360 annually. Although approved for 70 spaces, the Lessor has indicated 62 as the maximum number of spaces available.

- The rent will be subject to annual CPI adjustment capped at 3 percent, but not less than the previous year pursuant to the underlying lease.
- The County will have one option to renew the term for an additional five years under the same terms and conditions as in the proposed lease amendment, except that the rental rate will be adjusted to 95 percent of Market Rental Value as defined in the amendment.
- The County will have the right to cancel the lease or reduce the size of the premises at any time after 24 months of the lease term by giving Lessor not less than 90 days prior written notice.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$16.80 and \$21.60 per rentable square foot on a full service gross basis, and the annual rate for parking at a ratio of four per 1,000 square feet is between \$2.40 and \$6.00 per rentable square foot for an all-inclusive range of \$19.20 to \$27.60. The annual rental rate of \$20.32 per square foot, including parking, is in the lower market range for full service market rates in the area. Attachment B shows all County-owned and leased facilities countywide of equal or greater size and no County-owned or leased facilities are available for this program.

A childcare facility is not feasible at this location. The Department of Public Works inspected the facility for seismic safety and Americans with Disabilities Act accessibility and has found it suitable for County occupancy.

Lease amendment notification letters have been sent to the City of Los Angeles pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will allow DPH to continue to utilize the subject facility. DPH concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed amendment to renew the lease and the adopted, stamped Board letter and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC:SK
WLD:CEM:MM:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Health

**DEPARTMENT OF PUBLIC HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²	X		
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² 191/sq. ft.	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 8% NCC		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? The proposed space is not divisible and available at a competitive market rental rate. DPH has requested to remain at the site. A build-to-suit or capital project is not under consideration at this time.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

**DEPARTMENT OF PUBLIC HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES**

Five-mile radius search from 695 South Vermont Avenue, Los Angeles

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
5461	PH-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	14811	OWNED	NONE
5805	MENTAL HEALTH COURTHOUSE	1150 N SAN FERNANDO RD, LOS ANGELES 90065	25768	20734	OWNED	NONE
C760	DPSS-EAST L A GROW EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LOS ANGELES 90031	23655	17554	LEASED	NONE
C269	DPSS-LINCOLN HEIGHTS WS DISTRICT OFFICE	4077 N MISSION RD, LOS ANGELES 90032	26000	18575	OWNED	NONE
A673	DCFS REGIONAL OFFICE	5757 WILSHIRE BLVD, LOS ANGELES 90036	35548	29923	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21500	20425	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65872	62578	LEASED	NONE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113027	101920	LEASED	NONE
A408	DCFS BORAX OFFICE	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	105568	LEASED	NONE
A369	DCFS HEADQUARTERS ANNEX OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
A425	DCFS HEADQUARTERS OFFICE	425 SHATTO PL, LOS ANGELES 90020	81912	77816	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	84058	72804	LEASED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835	OWNED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777	OWNED	NONE
B695	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	73794	69368	LEASED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDI-CAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	33635	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	281988	237432	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650	OWNED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	183874	OWNED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	213159	136422	FINANCED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	87810	83420	LEASED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	134851	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958090	592835	OWNED	NONE
3155	PERFORMING ARTS CTR-DE LISA BLDG/THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	17978	OWNED	NONE
5546	PH-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60924	34748	OWNED	NONE
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	668096	489254	OWNED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012	30905	27785	LEASED	NONE
A627	COUNTY ADMIN OFFICES-LA WORLD TRADE CTR	350 S FIGUEROA ST, LOS ANGELES 90071	52516	49890	LEASED	NONE
3154	CLARA SHORTTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	683388	516275	OWNED	NONE
0143	EL PUEBLO REDEVELOPMENT PROPERTY-VICKREY BLDG	501 N MAIN ST, LOS ANGELES 90012	34350	29710	OWNED	29710
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438095	258537	OWNED	NONE
B446	DHS-SKID ROW CLINIC	512 S SAN PEDRO ST, LOS ANGELES 90013	20628	19597	LEASED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	25158	OWNED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22479	14251	OWNED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142448	79494	OWNED	NONE
6304	PROBATION-CRENSHAW AREA OFFICE	3606 W EXPOSITION BLVD, LOS ANGELES 90016	19112	14020	OWNED	NONE
5276	PH-DR RUTH TEMPLE PUBLIC HEALTH CENTER	3834 S WESTERN AVE, LOS ANGELES 90018	29023	16627	OWNED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE, LOS ANGELES 90037	127511	110500	LEASED	NONE
Y150	EXPOSITION PARK BUILDING & PARKING STRUCTURE	3965 S VERMONT AVE, LOS ANGELES 90037	66484	55228	OWNED	NONE
C740	DPSS-FLORENCE AP DISTRICT OFFICE	1740 E GAGE AVE, LOS ANGELES 90001	39999	28601	OWNED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63066	29220	OWNED	NONE

**AMENDMENT NO. 6 TO LEASE NO. 58575
695 SOUTH VERMONT AVENUE, LOS ANGELES**

THIS AMENDMENT NO. 6 TO LEASE AGREEMENT NO. 58575 ("Amendment No. 6") is made, entered and dated as of this 30th day of November, 2010 by and between by and between WILMONT INC., a California corporation, hereinafter referred to as "Lessor" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee".

RECITALS

WHEREAS, a Lease and Agreement by and between Marten Management Company, Inc., a Delaware Corporation, as Lessor, and the County of Los Angeles as Lessee was executed on March 1, 1988 (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 695 South Vermont Avenue, Los Angeles, California, and;

WHEREAS, Amendment No. 1 to Lease No. 58575 dated October 31, 1989, provided for 42,822 net rentable square feet of office space consisting of the entire 7th, 8th, and 9th floors of the South Office Tower, and 181 off-street structured parking spaces located within the Premises and;

WHEREAS, Amendment No. 2 to Lease No. 58575 dated June 4, 1996, deleted Amendment No. 1 in its entirety, and provided for 57,096 rentable square feet of office space consisting of the entire 6th floor (Suites 600 and 610), the entire 7th floor (Suite 700), the entire 8th floor (Suite 800), the entire 9th floor (Suite 900), of the South Office Tower, and 216 off-street, in-and-out parking spaces located within the adjacent parking structure and;

WHEREAS, Amendment No. 3 to Lease No. 58575, dated October 17, 2000, provided 71,370 rentable square feet of office space with the addition of 14,274 rentable square feet of office space consisting of the entire 14th floor of the South Office Tower, and 214 off-street structured parking spaces located within the Premises and;

WHEREAS, Amendment No. 4 to Lease No. 58575, dated July 12, 2004, reduced the size of the Premises to consist of 14,274 rentable square feet of office space consisting of the entire 14th floor of the South Office Tower, and reduced the number of parking spaces to 43 off-street structured parking spaces located within the Premises and;

WHEREAS, Amendment No. 5 to Lease No. 58575, dated September 6, 2005, increased the size of the Premises pursuant to the 1996 Building Owners and Managers Association (BOMA) standard to consist of 14,730 rentable square feet of office space consisting of the entire 14th floor of the South Office Tower, and increased the number of parking spaces to 55 off-street structured parking spaces located within the Premises and;

WHEREAS, WILMONT INC., a California corporation, is the lawful successor to Marten Management Company, Inc., and retains all rights and responsibilities granted pursuant to Lease No. 58575, as amended and;

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease to extend the term, reduce the rental rate, provide Lessee an additional renewal option, and prepare the Premises for the County's use, and;

WHEREAS, the terms of this Amendment No. 6 to Lease No. 58575 will not become effective until such time that said Amendment is adopted by the Board of Supervisors of the County of Los Angeles as final signatory.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, and intending to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

1. **TERM:** Paragraph 2.A., ORIGINAL TERM, is hereby amended such that upon adoption of this Amendment No. 6, by the Board of Supervisors of the County of Los Angeles, the term of this Lease is hereby extended such that it shall end five years thereafter (the "Extension Term"), unless cancelled or otherwise terminated in accordance with the provisions of the Lease .
2. **TERM:** Paragraph 2.B., Options to Renew, is hereby deleted in its entirety and replaced with the following:
 - (1) Terms of Options. Lessee shall have one option (the "Option") to renew this Lease for an additional period of five years (the " Extension Term").
 - (2) Exercise of Option. Lessee shall exercise its Option to extend this Lease by giving Lessor written notice of its intention to do so (its "Notice of Intent") by letter from Lessee's Chief Executive Office ("CEO") no later than 60 days prior to the end of the term hereof.
 - (3) Terms and Conditions of the Extension Term. The Extension Term shall be on all the terms and conditions of this Lease, except that Rent during the Extension Term shall be equal to ninety-five (95%) percent of Market Rental Value for the Premises as of the date Lessee gives its Notice of Intent (the "Adjusted Market Rental Value"), to be determined as set forth below, and Lessor shall have no additional obligation for free rent, leasehold improvements or for any other tenant inducements for the Extension Term.
 - (4) Agreement on Basic Rent. Lessor and Lessee shall have 90 days after Lessor receives the Notice of Intent in which to agree on the Basic Rent during the Extension Term.
 - (5) Market Rental Value. The term "Market Rental Value" shall be the rental rate that Comparable Premises in the market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Lessee provides its Notice of Intent, as determined jointly by Lessor and Lessee. For purposes hereof, the term "Comparable Premises" shall mean premises in a building similar in size and location to the Building, excluding any improvements installed by Lessee in the Building. In determining the Market Rental Value,

appropriate consideration shall be given to: (1) Lessee's creditworthiness, (2) the annual amount per rentable square foot that Lessor has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity lessees of comparable creditworthiness for Comparable Premises for a comparable use for a comparable period of time, (3) the annual rental rates per square foot of the Comparable Premises, (4) the standard of measurement by which the rentable square footage in the Comparable Premises is measured, (5) the ratio of rentable square feet to usable square feet in the Comparable Premises, (6) the type of escalation clause used in leasing the Comparable Premises (i. e., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), (7) the extent of a tenant's liability under a lease of the Comparable Premises, (8) parking rights and obligations, (9) signage rights, (10) abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the Comparable Premises, (11) brokerage commissions, if any, which would be payable by Lessor in similar transactions, (12) length of the lease term, size and location of the Comparable Premises, and (13) other general applicable conditions of tenancy for transactions involving such Comparable Premises.

(6) Determination of Market Rental Value. Lessor shall submit its determination of Market Rental Value to Lessee within fifteen (15) days after Lessor's receipt of the Notice of Intent, and Lessee shall respond thereto within ten (10) days thereafter by either (a) accepting Lessor's determination of Market Rental Value (in which case such Market Rental Value shall be used to determine Basic Rent during the Extension Term) or (b) submitting Lessee's determination of Market Rental Value. If Lessor and Lessee cannot agree upon the Market Rental Value of the Premises within fifteen (15) days after submission of Lessee's determination of Market Rental Value, then Lessor and Lessee within five (5) days shall each submit to the other a final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter, Lessor and Lessee shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Lessor and Lessee agree, a certified property manager with ten (10) years experience) who will determine whether Lessor's or Lessee's Final Statement is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises, and such figure will be used in the determination of Adjusted Market Rental Value. If Lessor and Lessee cannot mutually agree upon an appraiser within said ten (10) day period, Lessee may apply to the Superior Court for Los Angeles County, requesting a judicial appointment of the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Lessor's or Lessee's Final Statement is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement shall be the Market Rental Value used in determining Basic Rent during the Extension Term. The fees and expenses of the appraiser, whether mutually selected or appointed, shall be borne equally by Lessor and Lessee. The appraiser appointed or selected pursuant to this Paragraph shall have at least ten (10) years experience appraising commercial properties in Los Angeles County.

(7) Amendment of Lease. Immediately after the exercise of the Option by CEO's delivery of the Lessee's Notice of Intent pursuant to this Paragraph 2.B., Lessor and Lessee shall execute an amendment to this Lease setting forth the new Rent in effect. Lessee's Chief Executive Officer is authorized to execute such amendment on behalf of the Lessee.

3. **RENT:** Paragraph 3, RENT, is hereby deleted in its entirety and the following is substituted therefor:

The rent for the first full calendar month of the Extension Term shall be due and payable within 30 days of Lessor's completion of the Preparation of Premises work as defined in Paragraph 28, in the total amount of \$24,946.60 or approximately \$1.69 per rentable square foot of the Premises, which includes a base rent of \$20,916.60 or \$1.42 per rentable square foot of the Premises, and \$4,030 for 62 structured parking spaces at \$65 per space per month. A monthly installment in the same amount, subject to Paragraph 28 herein and the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the commencement of the Extension Term, except that rent for any fractional calendar month at the commencement or end of the Extension Term shall be prorated on a daily basis, provided that Lessor shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly rent prior to the commencement date of the Extension Term for the initial month(s) of the Extension Term up to and including June, and annually thereafter in June for the ensuing 12 months.

4. **RENTAL ADJUSTMENT:** Paragraph 24, RENTAL ADJUSTMENT, is hereby deleted and the following is substituted therefor:

(a) **CPI.** From and after the first anniversary of the Completion Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, the rent due hereunder shall be adjusted by applying the CPI Formula set forth below.

(b) **CPI Formula.** The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means the Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Extension Term of the Lease commenced (the "Base Index"). If the Index is changed so that the Index differs from that used as of the commencement of the Extension Term, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Extension Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) **Illustration of Formula.** The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Base Index}]} \times \$20,916.60 \text{ (current rent)}$$

= Adjusted Monthly Rent

(d) Limitations on CPI Adjustment. In no event shall the monthly rent adjustment based upon the CPI Formula result in an annual increase greater than four percent (4%) per year of the existing monthly rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly rent than was payable during the previous year of the Lease.

5. **CANCELLATION**: Paragraph 5 of the Lease (Cancellation) is hereby deleted in its entirety and the following is hereby substituted therefor:

Lessee shall have the right to cancel this Lease or reduce the size of the Premises (including a pro rata reduction in the rent and number of parking spaces provided for hereunder), at or any time after twenty-four (24) months of the Extension Term by giving Lessor not less than ninety (90) days prior written notice by Chief Executive Office letter.

6. **PREPARATION OF PREMISES**: Paragraph 28, PREPARATION OF PREMISES, is hereby deleted and the following is substituted therefor:

A. Lessor, within 10 days after receipt of a duly executed copy of this Amendment No. 6, at its sole cost and expense not to exceed \$73,650 (\$5.00 per rentable square foot of the Premises), shall commence painting of the entire Premises, and the installation of new carpet squares, including without limitation the lift and replacement of the modular furniture throughout the entire Premises (collectively, the "Preparation of Premises"). Lessor shall perform all Preparation of Premises work during weekends and after normal business hours.

In the event Lessor should fail, neglect or refuse to commence work on the Preparation of Premises work required by this Paragraph 28, or fail, neglect or refuse to pursue the Preparation of Premises with reasonable diligence to completion, then Lessee at its sole discretion may perform or cause to be performed said Preparation of Premises and deduct the cost thereof from the installments of rent next due as a charge to the Lessor.

The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances required for beneficial occupancy before the Preparation of Premises shall be deemed complete.

B. **Completion:**

The parties agree that the completion of the Preparation of Premises shall occur within 60 days of the date of commencement of the Extension Term as provided by this Amendment No. 6. The actual date upon which the Preparation of Premises is completed to Lessee's reasonable satisfaction shall be referred to hereinafter as the "Completion Date".

The Completion Date may be delayed by:

- i. Acts or omissions of Lessee or of any employees or agents of Lessee (including without limitation change orders in the Preparation of Premises work), or

- ii. Any act of God which Lessor could not have reasonably foreseen and provided for, or
- iii. Any strikes, boycotts or like obstructive acts by employees or agents of Lessor or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
- iv. Any war or declaration of a state of national emergency, or
- v. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Building and/or Premises.

C. Lessee Remedies:

If the Preparation of Premises has not been completed within 60 days from the date of commencement of the Extension Term, Lessee may, at its option:

- i. Cancel the Lease upon thirty (30) days written notice to Lessor; or
- ii. Upon thirty (30) days written notice to Lessor, assume the responsibility for providing the preparation of premises itself.

If Lessee elects to provide the Preparation of Premises itself, then:

- (1) Lessee, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of the preparation of premises and for any other purposes reasonably related thereto
- (2) Rent shall be reduced by Lessee's total expense in providing the Preparation of Premises, including any financing charges for capital and a reasonable amount for Lessee's administrative costs, and including without limitation interest at the rate of 10%. The rent reduction schedule shall be as mutually agreed between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over 5 years.

- 7. Wherever a conflict exists between the terms of this Amendment No. 6 and prior amendments, or the original Lease, the terms and conditions of Amendment No. 6 shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 6 to Lease No. 58575 or caused it to be duly executed, and the Lessee by order of its Board of Supervisors, has caused this Amendment No. 6 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:
WILMONT, INC.
a California corporation

By [Signature]

Its President

By _____

Its _____

ATTEST:
Sachi A. Hamai
Executive Officer
Board of Supervisors

LESSEE:
COUNTY OF LOS ANGELES
a body politic and corporate

By [Signature]
Deputy

By [Signature]
Chair

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By [Signature]
Deputy

By [Signature]
Amy M. Caves
Senior Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

695Amd6.7.21.10

8 NOV 30 2010

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

58575 Supplement No. 5